

## ***2018 Farm Bill Detailed - Summary***

### **Improvements to the Dairy Safety Net**

By building on the Bipartisan Budget Agreement (BBA) - which made an \$800 million investment in the Margin Protection Program and lifted an arbitrary cap on livestock insurance – the 2018 Farm Bill makes substantial changes to federal dairy policies.

Major improvements include:

- Renaming the program to Dairy Margin Coverage (DMC).
- Dramatically lowering premiums while increasing coverage options and flexibility (see table below).
- Providing an additional discount to farmers who choose a five-year commitment to a coverage level and percentage for the life of the Farm Bill.
- Providing farmers the opportunity to use 75 percent of their net MPP premium from 2014-2017 as a credit for future DMC premiums or electing to receive a 50 percent of the net premium as a refund.
- Allowing farmers who were prohibited from participating in MPP after premiums were reduced because of the BBA to retroactively enroll in coverage.

**Premium Comparison Table (\$/cwt)**

Coverage Level	Tier I (first 5m pounds)			Tier II (over 5m pounds)		
	MPP premium	DMC Premium	DMC Discounted Premium	MPP Premium	DMC Premium	DMC Discounted Premium
\$9.50	N/A	\$0.150	\$0.113	N/A	N/A	N/A
\$9.00	N/A	\$0.110	\$0.083	N/A	N/A	N/A
\$8.50	N/A	\$0.105	\$0.079	N/A	N/A	N/A
\$8.00	\$0.142	\$0.100	\$0.075	\$1.360	\$1.813	\$1.360
\$7.50	\$0.087	\$0.090	\$0.068	\$1.060	\$1.413	\$1.060
\$7.00	\$0.063	\$0.080	\$0.060	\$0.830	\$1.107	\$0.830
\$6.50	\$0.040	\$0.070	\$0.053	\$0.290	\$0.650	\$0.488
\$6.00	\$0.016	\$0.050	\$0.038	\$0.155	\$0.310	\$0.233
\$5.50	\$0.009	\$0.030	\$0.023	\$0.100	\$0.100	\$0.075
\$5.00	\$0.000	\$0.005	\$0.00375	\$0.040	\$0.005	\$0.00375
\$4.50	\$0.000	\$0.0025	\$0.00188	\$0.020	\$0.0025	\$0.00188
\$4.00	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.00000

\*The DMC Discounted Premium would be the premium cost if an operation chooses to lock in the coverage level and coverage percentage for 5 years.

### **Supporting Local Organic Farmers**

The 2018 Farm Bill contains language that supports Upstate organic farmers including provisions from Congressman Faso's legislation, H.R. 3871, the Organic Farmer and Consumer Protection Act. Organic provisions in the Farm Bill include:

- Requiring USDA to modernize the tracing and data collection for the National Organic Program.
- Providing the National Organic Program authority to require additional documentation and provide better oversight for certifying authorities in foreign countries.

- Substantially increases funding available for the Organic Research and Extension Initiative program from \$20 million to \$50 million per year.

### **Supporting the Supplemental Nutrition Program and Aiding Upstate Farmers Markets**

The final 2018 Farm Bill makes significant changes to the Supplemental Nutrition Assistance Program (SNAP), while also supporting other federal feeding programs.

- Included in the final bill is Congressman Faso's legislation, H.R. 5316, a bill to reauthorize the Senior Farmers' Market Nutrition Program. This USDA grant program provides low-income seniors with vouchers that can be exchanged for fresh food at their local farmers' markets.
- The legislation also incentivizes work by requiring state agencies to consult with their workforce development counterparts to design SNAP Employment and Training (E&T) programs that meet local needs.
  - SNAP administering agencies will also be allowed to certify additional work training programs, commonly known as workforce partnerships, to be operated by nonprofits with no use of federal funding.
  - States will see a reduction in monthly exemptions for Able-Bodied Adults Without Dependents (ABAWD) work requirements from 15 percent to 12 percent of the population.
- The Farm Bill also improves SNAP program integrity to help reduce the nearly \$700 million per year in program abuses.
  - Establishes a National Accuracy Clearing House to ensure that SNAP recipients are not claiming benefits in multiple states.
  - Requires USDA to assess the potential impact of mandatory child support enforcement orders.
  - Limits benefit storage to three months (down from six), giving households time to use benefits while reducing concerns about extraordinarily high EBT balances.
- Additionally, the legislation provides incentives to support healthy purchases. Federal nutrition programs have a responsibility to provide nutritious options to promote a lifetime of good habits.
  - Permanently supports programs to increase the purchase of fresh fruits and vegetables by providing incentives at the point of purchase.
  - Authorizes to support milk incentive projects.

### **Supporting Farmer Mental Health**

Mental health is a major concern in the agriculture community both in Upstate New York and across the country. This is an issue that Congressman Faso discussed intensively with members of his Agriculture Advisory Committee and local family farmers.

As market conditions continue to make family farming an even more difficult task, Congressman Faso has prioritized his support for programs that help farmers cope with the daily stresses of modern farming. Reauthorizing, updating, and funding the Farm and Ranch Stress Assistance network is a major step in the right direction as this program will help direct much-needed resources to mental health professionals aiding the agriculture community. Large components of

the legislative text from H.R. 5259 – the STRESS Act – are included in the final Farm Bill agreement.

### **Helping Veterans Transition from Military Service to Agricultural Entrepreneurship**

The average age of a farmer is almost 60, while the post-9/11 veteran unemployment rate exceeds 4.5%. The Appropriate Technology Transfer for Rural Areas program (ATTRA) is a grant program that facilitates transitioning veterans and younger people entering the agricultural industry.

- Rep. Faso joined with Rep. Ann McLane Kuster (D-NH) in introducing a reauthorization of the program through H.R. 3667, the Veteran and Beginning Farmers Assistance Act.
- The ATTRA program is the most reliable source for farmers who are looking for resources that can improve their own business, and for young aspiring farmers seeking to join the industry. This legislation has been included in the final 2018 Farm Bill and will help grow our local agricultural economy.

### **Invigorating Upstate Economies through REAP Zones and the Northern Border Regional Commission**

Rural areas across the country and New York's 19<sup>th</sup> Congressional district require specific and specialized resources to support economic development and address systemic poverty. The 2018 Farm Bill includes several provisions that will directly benefit families in upstate New York.

- Rural Economic Area Partnership (REAP) Zones are a program administered under the USDA that targets rural communities with unique economic development needs. Representative Faso initially introduced H.R. 5250 to reauthorize the program through 2023. A reauthorization of the program has also been included in the final Farm Bill agreement.
  - The REAP program first came to New York in 1999 as two areas in the Upstate region were added to the program. Sullivan County and the Town of Wawarsing have both been included as a REAP zone, leveraging this unique distinction access federal funding to finance projects such as housing redevelopment and community facility improvements that support regional economic development.
- The final Farm Bill includes an expansion of the Northern Border Regional Commission (NBRC) which is a federal-state partnership for economic development designed to serve distressed counties. In New York State, the coverage area was expanded to serve several new counties including the first in NY-19; Greene, Montgomery, Rensselaer, and Sullivan.
  - Depending on the local economic and demographic conditions, counties in the newly expanded NBRC coverage area are eligible for local economic development grants. In New York alone, the NBRC has provided more than \$57 million in awards for projects workforce development centers, sanitary sewer lines, and communications towers.

### **Combating Invasive Species**

Invasive species remain a major unsolved problem across Upstate New York. In addition to being a nuisance, they cause billions of dollars in damage every year by destroying crops, forests, and homes.

- Congressman Faso secured the inclusion of a study to be conducted by the Department of Agriculture to determine the impact of internal shipments on the arrival of pests, the level of coordination between federal agencies when attempting to detect, surveil, and eradicate pests, and identifying proposed actions to further restrict the arrival of forest pests across the U.S. border.

### **Conservation**

Farmers, who are at the forefront of rural conservation, are the best stewards of the land. The Farm Bill continues to support farmers through voluntary and incentive-based conservation practices that benefit the soil, water, and air.

- The legislation continues a strong commitment to the Environmental Quality Incentives Program (EQIP) which is widely used in upstate New York.
  - Total program funding is increased to more than \$2 billion by fiscal year 2023.
- The Farm Bill also protects vitally important drinking water resources in rural areas. It reserves 10 percent of relevant conservation funding for the safeguarding of drinking water sources.

### **Protecting Small Family Farmers**

Family Farmers make up the vast majority of farms in upstate New York. They are responsible for feeding thousands of our neighbors while also continuing a tradition that stretches back generations. The 2018 Farm Bill works to ensure that farm programs work for our family farmers and the countless others across the country.

- The legislation maintains “Actively Engaged in Farming” regulations to ensure that all individuals who are eligible for farm safety net program are required to contribute to the farm operation.
- The Farm Bill also limits safety net eligibility to individuals below a certain income threshold to ensure that those with high incomes are not taking advantage of these vital programs.
- Improvements to dairy programs are specifically designed to give our smaller family operations a leg-up by substantially reducing premiums for farms that produce less than 5 million pounds of milk.